

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

DECEMBER 22, 2008

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Charles Harrison, Comptroller's Office
Jurgen Bailey, Real Property Administration
Bob King, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Mark Cherpack, Department of Finance and Administration
Gisela Patteson, Real Property Administration
Bill Bauer, Real Property Administration
Mark James, Department of Environment and Conservation
Kim Kirk, Department of Environment and Conservation
Rebecca Tolene, TVA
Michael Robertson, Department of Environment and Conservation
Bob Fulcher, Department of Environment and Conservation

Bill Avant, Department of Environment and Conservation
Jerry Preston, Tennessee Board of Regents
John Carr, Department of Finance & Administration
Russ Deaton, THEC
Mark Wood, Secretary of State's Office
John Gregory, Tennessee Wildlife Resources Agency
Mike Morrow, Department of Finance and Administration
Jeff Roberts, Department of Human Services
Dave Thurman, Legislative Budget Analysis
Terry Mason, Department of Finance and Administration
Sandi Thompson, Bond Finance

Commissioner Goetz called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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CONSENT AGENDA

Review of a request for APPROVAL of the following REAL PROPERTY TRANSACTIONS, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in fee
- B. Agency: Tennessee Board of Regents – Knox County
Transaction: Acquisition in fee
Provision: Demolition – 315 & 317 Myrtle Street, Knoxville
- C. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in fee
- D. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in fee
Provision: Demolition – 218 Castle Heights, Clarksville
- E. Agency: Board of Probation & Parole – Maury County
Transaction: Lease Agreement
- F. Agency: Tennessee Wildlife Resource Agency – Blount County
Transaction: Acquisition
- G. Agency: F & A for Mental Retardation Services – Davidson County
Transaction: Acquisition in fee
- H. Agency: F & A for Mental Retardation Services – Davidson County
Transaction: Acquisition in fee
- I. Agency: F & A for Mental Retardation Services – Shelby County
Transaction: Acquisition in fee
- J. Agency: F & A for Mental Retardation Services – Shelby County
Transaction: Acquisition in fee
- K. Agency: F & A for Mental Retardation Services – Greene County
Transaction: Acquisition in fee

- L. Agency: F & A for Mental Retardation Services – Greene County
Transaction: Acquisition in fee
- M. Agency: F & A for Mental Retardation Services – Greene County
Transaction: Acquisition in fee
- N. Agency: F & A for Mental Retardation Services – Greene County
Transaction: Acquisition in fee
- O. Agency: University of Tennessee – Knox County
Transaction: Demolition – 1815 Andy Holt Avenue
- P. Agency: Department of Environment and Conservation – Obion County
Transaction: Demolition – Spillway Facility

DEPARTMENT OF HUMAN SERVICES

TENNESSEE REHABILITATION CENTER, SMYRNA, TENNESSEE

- 1) Approved a request for a revision in the source of funding on the following projects at the Tennessee Rehabilitation Center, replacing a portion of the State funds with Federal funds:
 - A. **ADA Accessibility Upgrade**
SBC Project No. 442/006-03-2007
 - B. **Systems Upgrade**
SBC Project No. 442/006-02-2007
 - C. **Dorm D & E Upgrade**
SBC Project No. 442/006-01-2002

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DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY AND EXERCISE OPTION to ACQUIRE OR ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Cumberland County – 1,297 +/- acres near Crab Orchard, TN - Transaction No. 05-12-013 (GM)</u>
Purpose:	Acquisition in Fee to provide continuance of the Cumberland Trail from the Catoosa Wildlife Management Area to the Ozone Falls State Natural Area, with buffers on both sides of the trail corridor and protection of the western and southern view of scenic & natural landmarks of Crab Orchid Mountain and Spencer's Rock.
Funding:	State Land Acquisition Fund: \$233,092.00 TEA-21 Federal Funds: \$932,368.00
Estimated Cost:	\$1,165,460.00
Owner:	Lone Star Energy Corporation
Comment:	In November of 2001, the SBC approved a general funding package for the Cumberland Trail that included this project.
SSC Report:	03-13-06. Jurgen Bailey summarized the transaction. Robert Fulcher, Park Manager and Joey Carlton, Park Ranger, stated that this preferred segment has only two owners to acquire from, whereas alternatives segments would require dealing with 13 property owners. Staff referred to Sub-Committee for recommendation.
SC Action:	03-20-06. Park Manager Robert Fulcher was recognized. He commented that this tract would be one of the larger tracts in the Cumberland Trail and that the property has historic and natural values that are outstanding. He said they have a good relationship with the company and they were willing sellers. Subcommittee approved the transaction as presented. Final action.
Further approval requested:	Requesting approval for different land configuration and owner to retain oil and gas rights.
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Park Manager Robert Fulcher summarized the importance of the new land configuration to the Cumberland Trail. This new configuration will remove three non-willing sellers to one willing seller. It will be one of the longest single connections within the Cumberland Trail System. The appraiser concluded that the acreage difference in the two tracts compensated them

Department of Environment and Conservation – continued:

to come out equal in value. The appraiser also addressed the oil and gas rights as having little to no value due to lack of evidence of oil and gas in the area. Staff referred to Subcommittee for discussion.

SC Action: 12-22-08. Jurgen Bailey presented the transaction and stated that they are requesting a new land configuration from the previously approved purchase of land in this area swapping a 143 acre tract for a 150 acre tract. He added that the seller will retain oil and gas rights and the acquisition did not include timber rights since there was a timber lease on the property for clear cutting until February 2011. Park Manager Bob Fulcher was recognized and summarized the importance of the new land configuration. He stated that the seller could not drill for oil and gas within 200 feet of the trail. He also stated that the appraiser concluded that there was little evidence of oil and gas in the area and felt there was no discernable effect on the value of the appraisal for the change in the oil and gas rights based on data provided by the Tennessee Department of Geology and local discussions. After discussion, the request was approved as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL with WAIVER OF ADVERTISEMENT & APPRAISALS of interest in real property as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Moore & Franklin Counties – 423.49 +/- acres (Moore) & 1,763.67 +/- acres (Franklin) – Tim’s Ford Reservoir Land Management – Trans. No. 08-11-018 (FB)</u>
Purpose:	Disposal in fee for part of the implementation of the Tim’s Ford Reservoir Land Management and Disposition Plan. This will relieve Tim’s Ford State Park of responsibility and cost of management.
Grantee:	Tennessee Valley Authority
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
SC Action:	12-22-08. Jurgen Bailey presented the transaction. Comptroller Morgan commented that this was basically just a land swap and was consistent with action taken in 2000. Treasurer Sims disclosed that he owns land on Tims Ford Lake, although it was not involved in this transaction. After discussion, the request was approved as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER OF APPRAISALS & ADVERTISEMENTS not to exceed the appraised value for the property being acquired:

Description:	<u>Moore & Franklin Counties – 101.25 +/- acres (Moore) & 664.45 +/- acres (Franklin) – Tim’s Ford State Park – Trans. No. 08-11-019 (GM)</u>
Purpose:	Acquisition in fee for implementation of the Tim’s Ford Reservoir Land Management & Disposition Plan.
Source of Funding:	N/A
Estimated Cost:	Gift
Owner(s):	Tennessee Valley Authority
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
SC Action:	12-22-08. Jurgen Bailey presented the transaction. Comptroller Morgan commented that this was basically just a land swap and was consistent with action taken in 2000. Treasurer Sims disclosed that he owns land on Tims Ford Lake, although it was not involved in this transaction. After discussion, the request was approved as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

ROYAL BLUE WILDLIFE MANAGEMENT AREA, CAMPBELL COUNTY, TENNESSEE

- 1) Mr. Fitts presented a request for a revision in funding from \$205,000.00 to \$239,000.00 (\$34,000.00 increase) for **Royal Blue Office Building** at Royal Blue Wildlife Management Area, Campbell County, Tennessee. He said the request was referred to the Subcommittee, with authority to act, and that since that time, the Department had elected to fund the increase with Operating Funds instead of Wetlands Funds. Mr. Fitts added that they planned to review the legality of utilizing Wetlands Funds for this kind of project for future reference. After discussion, the request was approved as presented.

Revised Estimated Project Cost: **\$239,000.00**
SBC Project No. 220/020-04-2007

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Sullivan County – 63.96 +/- acres – Bristol City, TN – Trans. No. 07-02-009 (RJ)</u>
Purpose:	Acquisition in fee to obtain approximately 3,500 feet of river access on the south fork of the Holston River for public trout fishing.
Source of Funding:	TWRA License Funds
Estimated Cost:	\$1,000,000
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	The Conservation Fund
SSC Report:	12-15-08. Jurgan Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
SC Action:	12-22-08. Jurgan Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Fayette County – 225.00 +/- acres – Collierville City, TN – Trans. No. 08-11-010 (RJ)

Purpose: Acquisition in fee for the property will become part of the Wolf River WMA and being purchased to fulfill the requirements of prior year grant commitments.

Source of Funding: TWRA Wetland Funds
Federal Funds

Estimated Cost: \$337,950.00

Estimated Title,
Appraisal and
Survey Fees: Fair Market Value

Owner(s): Virginia D. Cannon Trust / Emilie Farmer

SSC Report: 12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 12-22-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 27.00 +/- acres – Memphis City, TN – Trans. No. 08-11-011 (RJ)</u>
Purpose:	Acquisition in fee for the property will become part of the Wolf River WMA and being purchased to fulfill the requirements of prior year grant commitments.
Source of Funding:	TWRA Wetland Funds Federal Funds
Estimated Cost:	\$40,554
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	Virginia D. Cannon Trust / Emilie Farmer
SSC Report:	12-15-08. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
SC Action:	12-22-08. Jorgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 101.25 +/- acres – Memphis, TN – Trans. No. 08-11-012 (RJ)</u>
Purpose:	Acquisition in fee for the property will become part of the Wolf River WMA and being purchased to fulfill the requirements of prior year grant commitments.
Source of Funding:	TWRA Wetland Funds Federal Funds
Estimated Cost:	\$151,672
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	Parr Enterprises
SSC Report:	12-15-08. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
SC Action:	12-22-08. Jorgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 7.78 +/- acres – Memphis, TN – Trans. No. 08-11-013 (RJ)

Purpose: Acquisition in fee for the property will become part of the Wolf River WMA and being purchased to fulfill the requirements of prior year grant commitments.

Source of Funding: TWRA Wetland Funds
Federal Funds

Estimated Cost: \$11,659

Estimated Title,
Appraisal and
Survey Fees: Fair Market Value

Owner(s): Parr Enterprises

SSC Report: 12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 12-22-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Fayette County – 52.50 +/- acres – Collierville City, TN – Trans. No. 08-11-014 (RJ)

Purpose: Acquisition in fee for the property will become part of the Wolf River WMA and being purchased to fulfill the requirements of prior year grant commitments.

Source of Funding: TWRA Wetland Funds
Federal Funds

Estimated Cost: \$68,197

Estimated Title,
Appraisal and
Survey Fees: Fair Market Value

Owner(s): Melton Karen Petal / Sidney Person

SSC Report: 12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 12-22-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Fayette County – 32.0 +/- acres – Collierville City, TN – Trans. No. 08-11-016 (RJ)</u>
Purpose:	Acquisition in fee for the property will become part of the Wolf River WMA and being purchased to fulfill the requirements of prior year grant commitments.
Source of Funding:	TWRA Wetland Funds Federal Funds
Estimated Cost:	\$41,568
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	Melton Karen Petal / Sidney Person
SSC Report:	12-15-08. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
SC Action:	12-22-08. Jorgen Bailey presented the transaction. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
COMMUNITY SERVICE AGENCY

Review of a request for approval to allow the Community Service Agencies (CSAs) to **not** participate in the Facilities Revolving Fund and to be allowed (with oversight) to advertise for and write their own leases.

Locations: Union City - Obion Co., Memphis - Shelby Co., Jackson - Madison Co., Nashville - Davidson Co., Columbia - Maury Co., Chattanooga - Hamilton Co., Cookeville - Putnam Co., Knoxville - Knox Co., and Johnson City - Washington Co.

Comment: The attached position paper and the CSA's proposed *Procedures for Leasing Office Space* explain the reasons for this request and their proposed methodology to accomplish this. If this request is approved, Real Property Administration will assist the CSAs during the transition period.

SSC Report: 12-15-08. Bob King summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 12-22-08. Bob King presented the transaction and referenced the attached position paper dated December 2, 2008. Treasurer Sims asked when these leases were brought into the Facilities Revolving Fund in 2005, and did the SBC approve them, and was told "yes". He asked if they were endorsing a decision the Department of Finance and Administration made, or reversing the previous approval to include the CSA's in the Facilities Revolving Fund. Bob King responded that they were essentially reversing the previous decision. After further discussion, the request was approved as presented.

Position Paper

December 2, 2008

Tennessee Community Service Agency Lease Process

A recommendation to alter the way Tennessee's Community Services Agencies obtain lease space is being proposed by the Department of Finance and Administration. This proposed policy change will enable the State and the Tennessee Community Service Agencies to better manage limited resources in the future. This proposed change will return the CSAs to the original policy of lease processing first established in 1989 and continued until 2005.

History

Tennessee's Community Service Agencies were first authorized under the Tennessee Code Annotated in 1989 and established as Community Health Agencies under the oversight of the Tennessee Department of Health. They were established to develop community based primary health care capacity for underserved areas and populations in Tennessee. The CSA concept provided for the establishment through TCA of quasi-governmental organizations utilized to facilitate and coordinate the provision of services to Tennessee's citizens, whatever and wherever the needs might be.

Originally 12 regional agencies were established by the Commissioner of Health to serve all 95 Tennessee counties. Regionally representative citizen Boards provided local input, hands-on oversight and decision making. The regionally geographic structure allowed for adaptation to widely diverse economic, social and cultural variations found across the State.

Annual audits of the CSAs were done by the Tennessee Comptroller's Office beginning with the establishment of the CSAs in 1989. Rigid reporting requirements and ongoing program monitoring standards assured CSA fiscal accountability. Standardized CSA policies and procedures assured programmatic integrity while independent administrative, financial and human resources management functioned to promote flexibility and responsiveness.

Although the CSAs were originally authorized in 1989 as Community Health Agencies under the Department of Health's oversight, in 1992 they were asked to assist the State with the implementation of the "Tennessee Children's Plan." From this successful work, the CHAs became Community Services Agencies (CSAs) in 1996 and moved under the oversight of the newly formed Tennessee Department of Children's Services to assist DCS with the establishment and ongoing start-up implementation of the new State Department.

The Department of Children's Services and the Community Services Agencies ended their mutually satisfying relationship in 2005 and the CSAs were placed under the oversight of the Department of Finance and Administration to serve as a tool for all divisions of State government. Under the Department of Finance and Administration the CSAs have routinely been called upon for solutions to a variety of tough service delivery problems in Tennessee in addition to their primary functions.

Current Considerations

The Tennessee Community Services Agencies routinely pursue federal, foundation and corporate grant funding opportunities to serve local communities. For example, following the 2005 Gulf Coast hurricane disasters, the CSAs acquired and supported temporary rental housing for upwards of 10,600 individual hurricane evacuees in Tennessee. Under the direction of the Department of Finance and Administration and the Federal Emergency Management Agency, upwards of 30 million dollars for some 3800 families were managed across the State. The ability of the CSAs to respond rapidly with effectiveness and efficiency, gained positive local, state and national notoriety.

When the Community Services Agencies were placed under the oversight of the Department of Finance and Administration in 2005, the CSA law was amended to allow for the Department of Finance and Administration oversight instead of the previous Tennessee Department of Children's Services, but all previous statutory language remained in place to allow the State to continue to adequately oversee these quasi-governmental agencies. In addition, the Department decided to place the CSAs into the State administered "FRF – facilities revolving fund" process for the acquiring and management of office space leases. At the time, this policy change was perceived as an improvement, allowing for more coordination with the State.

Unfortunately, this decision has caused undue hardship for not only the CSAs but the Department of Finance and Administration and its division of Real Property Administration. The quasi-governmental, flexible, responsive nature of the CSAs makes them a much desired partner with other parts of state government. Because they are familiar with and a part of local resources across the State, they have the ability to respond locally more quickly than other state entities. Because they are quasi-governmental agencies they can rapidly staff and deploy resources in very changing circumstances, such as their very effective response to Hurricane Katrina. This much desired, quick responsiveness, is not a good "fit" for the "FRF – facilities revolving fund" lease operational system.

Recommendations

Therefore, the Department of Finance and Administration recommends that the CSAs be discontinued in this "FRF" building lease management system. This recommendation will in no way change the State's control of the CSAs and the oversight called for by the current statute. The CSAs will continue "to make and execute contracts and all other instruments necessary or convenient for the exercise of its duties and responsibilities under this part. All contracts pertaining to acquisitions and improvement of real property pursuant to 4-15-102, must be approved in advance by the Commissioner and the State Building Commission. Contracts for services must be approved pursuant to rules and regulations promulgated by the Commissioner." The Department of Finance and Administration recommends that the Community Services Agency Executive Director in coordination with the Department's Division of Real Property Administration move toward negotiating cancellation and/or renegotiation of current office space leases with the Community Services Agency rather than the State as lessee.

Returning to the previous way of doing business which was the way the system operated from 1989 to 2005 with success, will not reduce the State and/or Department's oversight of the CSAs in any way, but it will enable both systems to work more efficiently and effectively. This is most desired at all times, but certainly during this time of fiscal and resource limitations.

Tennessee Community Services Agency - Procedures for Leasing Office Space

1. Determine needed space for location based on detailed analysis to include at least:
 - a. Location: city, county
 - b. Number of staff
 - c. Parking for a number of vehicles
 - d. Number and type of hard wall offices; executive, management
 - e. Space for a number of cubicles
 - f. Number and size of conference rooms
 - g. Janitor and/or electrical closet
 - h. Number of restrooms, employee and/or public
 - i. Break room
 - j. Storage closet(s)
 - k. Copier/computer room
 - l. Waiting area
2. Advertise the need for space in one or two local newspapers and on a web advertisement for four weeks. Request should include:
 - a. Property location
 - b. Type of space
 - c. Square feet desired, a range of usable space
 - d. Lease term
 - e. Space requirements: hard wall offices, space for cubicles, restrooms, break room, storage space, conference rooms, computer/copier room, janitor and/or electrical closet, paved and striped (free) parking for a number of vehicles, ground level, single or multiple-level, etc.
3. Collect sealed bids to be opened at a specified time and date. No other proposals are to be accepted after the specified time.
4. Evaluate the proposals based on
 - a. Meets the needs for the space.
 - b. Price
5. Inspect the best property(ies)
 - a. Upon inspection, should property not meet bid specifications or prove to not meet needs of the agency, a letter of justification to accept next lowest will be written by Executive Director to the Chairman of the Board of Directors
 - b. Upon approval of the Chairman of the Board of Directors, letter of justification will be forwarded to the Commissioner or his/her designee of the Department of Finance and Administration.
6. Select the best property if one is available.
7. Develop lease document
8. Submit Information to Department of Finance and Administration for presentation to State Building Commission if lease cost is over \$40,000 per year or more than 5 years.
9. Gain Approval of State Building Commission (if required)
10. Executive Lease

DEPARTMENT OF FINANCE AND ADMINISTRATION

TENNESSEE STATE CAPITOL, NASHVILLE, TENNESSEE

- 1) State Architect Mike Fitts gave a status report on a project for **Mechanical / Electrical Upgrades** at the Tennessee State Capitol, Nashville, Tennessee. He said the request to add a minimum of \$500,000 to add the HVAC for the Senate to Phase I construction had been approved previously, contingent upon the approval of funds by Commissioner Goetz. Mr. Fitts said their final figure is about \$275,000 more than the minimum \$500,000 estimate previously given to the Commission. He added that the work for Phase I is estimated to be complete by January 7, 2009. He said the revised cost of \$1,750,000 includes preplanning for HVAC work in the Capitol, War Memorial Building and Legislative Plaza. The Subcommittee recognized the change in funding as presented by Mr. Fitts.

Estimated Project Cost:	\$16,500,000.00
Revised Estimated Planning & Phase 1 Construction Cost:	\$ 1,750,000.00
<i>SBC Project No.</i>	<i>529/005-01-2005</i>

STATEWIDE

- 1) Mr. Fitts brought up from the floor a discussion of the action taken by the SBC at their last meeting relative to the State's **Management Assistance** contract. He said the Minutes reflect that the Commission approved the issuance of the RFP contingent upon the approval of the RFP by the Subcommittee. Mr. Fitts asked if the Subcommittee wanted to directly approve the RFP document or to have the staff of the Subcommittee approve the RFP. Treasurer Sims discussed the need to address issues on the implementation of the contract wherein there has been alleged abuse such as having contract personnel having oversight over State personnel. He said the language of the RFP could be improved to help that issue. After discussion, the Subcommittee delegated to the staff authority to approve the RFP document taking into account the Treasurer's concerns.

<i>SBC Project No.</i>	<i>529/000-05-2008</i>
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STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on November 24, 2008.

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There being no further business, the meeting adjourned at 11:15 a.m.

A.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3567 Watauga Avenue, Memphis, TN – Trans. No. 08-08-020 (BW)</u>
Purpose:	Acquisition in fee for the future expansion of University.
Source of Funding:	G O Bonds
Appraised Cost:	\$139,000
Owner(s):	John D. & Asysa Mills (GreyLiz Properties Investment, LLC)
Comment:	Part of the 101 properties approved previously on 7-23-07.
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

B.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and APPROVAL TO DEMOLISH BUILDINGS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – 315 & 317 Myrtle Street, Knoxville, TN – Trans. No. 08-11-006 (AM)</u>
Purpose:	Acquisition in fee to acquire property & demolish two buildings for the benefit of Pellissippi State Technical Community College
Source of Funding:	Plant Fund Resources
Estimated Cost:	\$85,000
Owner(s):	Barbara Wash
Comment:	Property is adjacent to the Magnolia Center for future student parking. The owner has offered PSTCC this parcel at \$85,000, which is less than the appraisal value \$90,000 dated 10-29-2008.
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 213 Wilson Avenue, Murfreesboro, TN – Trans. No. 08-09-004 (AM)</u>
Purpose:	Acquisition in fee to purchase the property, which is in the MTSU Master Plan.
Source of Funding:	G O Bonds
Estimated Cost:	\$123,900 (based on appraisal)
Owner(s):	Gary & Silvia Dryden
Comment:	One of the 62 properties approved on June 26, 2008.
SSC Report:	12-15-08. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

D.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, APPROVAL TO DEMOLISH BUILDINGS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County – 218 Castle Heights, Clarksville, TN – Trans. No. 08-12-001 (BW)</u>
Purpose:	Acquisition in fee for future expansion of APSU and in the Master Plan's
Source of Funding:	E & G Funds
Estimated Cost:	\$59,000
Owner(s):	Richard & Melissa Collier
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

E.

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Maury County – 2506 Pillow Drive, Suites A & B, Columbia, TN – Trans. No. 08-01-908 (RS)

Purpose: To provide office space for county operations

Term: July 1, 2009 thru June 30, 2019 (10 yrs)

Proposed Amount:	<u>7,100 Square Feet</u>		
	Annual Contract Rent:	\$51,475.00	@\$7.25/sf
	Est. Annual Utility Cost:	\$ 9,940.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,810.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$69,225.00	@\$9.75/sf

Current Amount:	<u>7,100 Square Feet</u>		
	Annual Contract Rent:	\$44,400.00	@\$6.25/sf
	Est. Annual Utility Cost:	\$ 9,940.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,810.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$62,150.00	@\$8.75/sf

Type: New lease – advertised – received two (2) proposals from two (2) proposers

FRF Rate: \$18.00

Purchase Option: Yes – 1-10 years

Lessor: Knox & Knox Investments, current lessor

Comment: Proposed lease provides the following: Lessor shall provide office space of 7,100 rsf and shall include all build outs at no additional cost to the State and proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter.

SSC Report: 12-15-08. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 12-22-08. Subcommittee approved the transaction as presented.

F.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Blount County – Maryville, TN – Trans. No. 08-11-017 (RJ)</u>
Purpose:	CMH Homes, Inc. is requesting the State of Tennessee to enter into a boundary agreement with all other adjoining owners
Source of Funding:	CMH Homes, Inc.
Estimated Cost:	N/A
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	CMH Homes, Inc. / John Richards, Betty Fuller, Shirley Ditmore
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

G.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and APPROVAL TO DEMOLISH BUILDING required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 807 Saunders Court, Nashville, TN – Trans. No. 08-11-001 (BW)</u>
Purpose:	Acquisition in fee to construct three (3) Mental Retardation Group Homes
Source of Funding:	SBC – 346/000-05-2005
Estimated Cost:	\$100,000
Owner(s):	Louis & Mary Ramsey
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

H.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 805 Saunders Court, Nashville, TN – Trans. No. 08-11-026 (JB)</u>
Purpose:	Acquisition in fee to construct three (3) Mental Retardation Group Homes
Source of Funding:	SBC – 346/000-05-2005
Estimated Cost:	\$100,000
Owner(s):	David Lee Gregory
SSC Report:	12-15-08. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

I.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 2960 Schaeffer Drive, Memphis, TN – Trans. No. 08-11-008 (BW)

Purpose: Acquisition in fee to construct four bedroom Mental Retardation Group Homes

Source of Funding: SBC – 346/000-05-2005

Estimated Cost: \$79,500

Owner(s): Keith Hazelwood

SSC Report: 12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 12-22-08. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – Lot 1 & 2 Rosemark Estates Subdivision, Arlington, TN – Trans. No. 08-11-009 (BW)

Purpose: Acquisition in fee to construct four bedroom Mental Retardation Group Homes

Source of Funding: SBC – 346/000-05-2005

Estimated Cost: \$79,800

Owner(s): Robert Conrad

SSC Report: 12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 12-22-08. Subcommittee approved the transaction as presented.

K.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Greene County – Dyer Street & Erwin Highway, Greeneville, TN – Trans. No. 08-11-021 (JB)</u>
Purpose:	Acquisition in fee to construct Mental Retardation Group Homes
Source of Funding:	SBC – 346/000-05-2005
Estimated Cost:	\$79,500
Owner(s):	Earl & Winnie Lou Doyle
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Greene County – Redbud Drive, Greeneville, TN – Trans. No. 08-11-023 (JB)</u>
Purpose:	Acquisition in fee to construct Mental Retardation Group Homes
Source of Funding:	SBC – 346/000-05-2005
Estimated Cost:	\$84,900
Owner(s):	Kyle Parkins
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Greene County – Asheville Hwy., Greeneville, TN – Trans. No. 08-11-024 (JB)

Purpose: Acquisition in fee to construct Mental Retardation Group Homes

Source of Funding: SBC – 346/000-05-2005

Estimated Cost: \$33,500

Owner(s): Mark J. Russell Jr.

SSC Report: 12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 12-22-08. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Greene County –Lot 22 Asheville Hwy., Greeneville, TN – Trans. No. 08-11-025 (JB)</u>
Purpose:	Acquisition in fee to construct Mental Retardation Group Homes
Source of Funding:	SBC – 346/000-05-2005
Estimated Cost:	\$69,900
Owner(s):	Joe & Lucia Fillers
SSC Report:	12-15-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	12-22-08. Subcommittee approved the transaction as presented.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Approved a request to demolish a **Residential Structure** located at 1815 Andy Holt Avenue, Knoxville, as part of the new Residence Hall project, contingent upon review by the Tennessee Historical Commission.

Estimated Demolition Cost: \$10,000.00
SBC Project No. 540/009-29-2007

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

REELFOOT LAKE STATE PARK, OBION COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Spillway Facility** at Reelfoot Lake State Park, contingent upon review by the Tennessee Historical Commission.

Estimated Project Cost: \$0.00
SBC Project No. 126/084-02-2008

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration